

**TOP SECRET BASTE****NSA****Declassification/Release  
Instructions on File**Semi-Annual ReportServices DivisionCommittee on China Research

The Services Division Committee on China Research was established on 10 August 1954 for the dual purpose of (1) coordinating the research activities of the Division on Far Eastern, and particularly Chinese, problems and, (2) broadening the knowledge of the Division's analysts who are charged with covering this area. Fifteen meetings have been held during 1954.

The principle activities of the Committee have been discussions of current problems, discussions connected with research projects and briefings by persons from other Divisions on their fields of competence.

Current items discussed have covered the range of the Division's responsibilities and frequently gone beyond the, it having been decided at the outset that an awareness of a wide range of intelligence problems was an important objective of the Committee. Among the items which received major attention were:

The Sino-Soviet Agreements of 11 October 1954

Evidence of Transportation and Communication Developments in South China

Administrative Changes in China

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Many of the current items discussed were presented by [redacted] who has attended regularly as the guest of the Committee.

Discussions in connection with research projects included:

Impact of Flood Conditions on Certain Sectors of Communist China's Economy (published as CSM No. 189, 29 September 1954)

Revision of Production of Commodities by Communist China (submitted as Division Contribution to Project No. 10.590, which was published as DM-403, 1 November 1954)

Implications of Sino-Soviet Trade (prepared in draft for eventual publication under this title.)

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The Committee received briefings from [redacted] D/GG, on the geography of Manchuria, Mongolia, and Sinkiang and from [redacted] Chief, A/F, on Chinese production in basic sectors of the economy. [redacted], was the Committee's guest at the latter briefing. The [redacted]

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Committee gave a briefing to [REDACTED] on the estimates of Services Division analysts on their areas of responsibility. Other activities included a showing of a Chinese film on the Hwai River Flood Control Project, to which analysts [REDACTED] were invited.

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It is believed that the Committee has been successful in providing a forum for discussion of problems of common interest and that it is carrying out its designated purposes with considerable success. There are, however, a number of problems which have hampered its effectiveness and which should receive continuing attention during the coming year.

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It is accordingly the opinion of the committee that emphasis on the use of the material should be tailored to its potential value for each branch rather than set at a fixed level for all branches.

2. Exploitation of available Chinese language materials: No progress has been made in this respect, because of the lack of language competence. Three members of the committee have no knowledge of Chinese. Of the remaining three, the language competence is not yet sufficient to use Chinese materials with any great facility. It is hoped, however, that some further training can be instituted during 1955. A partial solution to this problem which should be undertaken this year is to increase our liaison with FDD.

3. Specialization on China: Three members of the Committee have branch responsibilities extending beyond the consideration of China problems. This hinders their development as area specialists and may on occasion prevent their playing a full role in Committee activities. It is felt

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that their participation is desirable, since it appears to be the most effective way of carrying out the two major purposes of the Committee. It is also the belief of the Committee that having at least one man in each branch giving full time to China should be a goal of the Division.

4. Lack of Common Functions: The intelligence responsibilities of the several branches in Services Division are of such a nature that occasions are rare when projects are presented or suggest themselves which involve all members equally or which can be confined to the Division. For example, the contribution on Production Estimates could receive only minor support from [redacted] S/TF, and S/OM; while the CSM on the 1954 floods depended heavily on information from the geographic area and from M/AG. With regard to the first problem, it is felt that even where all members cannot contribute equally to a project or to consideration of a problem, their participation is of value to them and may also alert those who are more fully involved to implications which are not at first apparent. With regard to the second problem, while the committee is probably a proper vehicle for obtaining the necessary information and coordination outside the Division as well as for coordinating individual contributions within the Division, this has proved a time-consuming problem for the member assigned as coordinator.

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